

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

MOM CA INVESTCO LLC, *et al.*,

Debtors.

Chapter 11

Case Nos. 25-10321 (BLS), *et seq.*

Re: D.I. 8, 83

**LONE OAK FUND, LLC’S LIMITED
OBJECTION AND RESERVATION OF RIGHTS TO
THE DEBTORS’ MOTION FOR ENTRY OF FINAL ORDER
(I) AUTHORIZING USE OF POST-PETITION CASH COLLATERAL,
(II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING
THE AUTOMATIC STAY, AND (IV) GRANTING RELATED RELIEF**

Lone Oak Fund, LLC (“Lone Oak” or a “Real Property Lender”), by and through its undersigned counsel, submits this limited objection and reservation of rights to the *Debtors’ Motion for Entry of Interim and Final Orders (I) (I) Authorizing Postpetition Use of Cash Collateral; (II) Granting Adequate Protection; (III) Modifying Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief [Docket No. 8] (the “Motion”)*¹. In support hereof, Lone Oak respectfully states as follows:

¹ Capitalized terms used herein but otherwise not defined shall retain the meaning ascribed to them in the Motion.

PRELIMINARY STATEMENT

1. Lone Oak holds a promissory note in the remaining principal amount of \$6,500,000.00 secured by a first priority lien on the real properties commonly known as 314 S. Harvard Blvd., Los Angeles, CA and 4110 West 3rd Street, Los Angeles, CA (collectively the “Collateral Properties”) subject only to California real property taxes. The Collateral Properties are adjoining parcels of vacant land and are not income producing. The loan is cross-collateralized against the Collateral Properties which are owned by debtors 314 S. Harvard DE, LLC, and 4110 West 3rd Street DE, LLC.² As previously advised, and contrary to Mr. Shinderman’s Declaration, Lone Oak’s loan is no longer secured by the real property located at 837 Park Avenue, Laguna Beach, CA, which is held by debtor 837 Park Ave, LLC.³

2. The Collateral Properties each have outstanding, senior real property taxes due and owing in an amount in excess of \$117,000,⁴ which accrues interest thereon at the rate of eighteen (18%) per annum.

3. The Collateral Properties purportedly have a combined value of \$12,800,000.00.⁵

² The following facts are derived from the Declaration of Mark Shinderman (the “Shinderman Decl.”) filed as Docket No. 11 in support of the Debtors’ first day motions.

³ Shinderman Decl., ¶ 38.

⁴ Shinderman Decl., ¶ 63.

4. Lone Oak has attempted to engage the Debtors in discussions regarding the proposed final use of cash collateral and hopes to resolve any remaining issues promptly and before the hearing on the Motion scheduled for March 31, 2025.

LIMITED OBJECTION/RESERVATION OF RIGHTS

5. Lone Oak objects to the Motion to the extent that its liens are to be primed by replacement liens or carveouts. At the hearing, Debtors' counsel stipulated and the resulting Order granting interim use of cash collateral included neither of these terms. At present, there appears to be substantial unencumbered assets of the Debtors, such as the 837 Park Avenue property mentioned above, from which adequate protection as well as professional fees and costs can be secured.

6. RCB reserves all rights to supplement, modify or amend this Limited Objection/Reservation of Rights, to make other and further objections to the entry of a final order in connection with the Motion and related transactions, and to object at the hearing or hearings to consider the entry of a final order on the Motion. Nothing herein, nor the exclusion of any argument herein shall constitute a waiver, discharge, limitation, or disallowance of any rights, claims, causes of

⁵ Shinderman Decl., ¶ 35.

action, or defenses that Lone Oak have asserted or may assert against the Debtors. In addition, nothing set forth herein shall be construed as a waiver, release, discharge, limitation, or disallowance of any claims Lone Oak may have against the Debtors, whether pursuant to the loan documents or otherwise.

Dated: March 24, 2025
Wilmington, Delaware

Respectfully submitted,
HILLER LAW, LLC

/s/ Adam Hiller

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